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C O N F I D E N T I A L SECTION 01 OF 03 ROME 000342
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E.O. 12958: DECL: 01/27/2016

TAGS: PGOV PREL IT

SUBJECT: ITALY: CENTER-LEFT ASPIRES TO CRAFT MORE EUROPEAN

FOREIGN POLICY

REF: A. ROME 00239

¶B. ROME 00122

¶C. ROME 00028

¶D. ROME 00085

¶E. ROME 00119

1F. ROME 05 004064

¶G. ROME 05 03936 ¶H. ROME 05 03179

¶I. ROME 05 03376

¶J. ROME 05 03467

ROME 00000342 001.2 OF 003

Classified By: Ambassador Ronald P. Spogli for reasons 1.4 (b) and (d).

(C) Summary: If Italy's center-left coalition (the Union) wins this spring's national election, center left leaders are prepared to reorient Italy's foreign policy toward the EU, favor multilateral initiatives over bilateral or unilateral ones, and tone down Italy's relations with the US. Romano Prodi (the Union's prime ministerial candidate) is expected to place more emphasis on Italy's approach toward the EU, but he and his moderate allies continue to signal that the center left will reach out to Washington as it did when Prodi was first prime minister. Center-left leaders, who are committed to establishing a timeline for troop drawdowns, pledge no surprises on Iraq and a willingness to contribute to that country's long-term stability. They reaffirm their support for the fight against terrorism; they want Italy to be more involved in Afghanistan, the Balkans, and the Middle East; and they are interested in ways to promote global democracy. A center-left government, however, would likely be less stable than the center-right Berlusconi government and will be more sensitive about perceptions that it is bowing to U.S. pressure on foreign policy initiatives. End Summary.

Reanimating Italy's European Vocation . . .

 $\underline{\P}2$ . (C) Former Prime Minister (1996-98) and former European Commission President (1999-2004) Romano Prodi is prepared, if elected, to shift Italy's foreign policy focus toward Europe, where the center left believes that Italy can best defend its interests. Center-left leaders say they want to rebalance the traditional twin pillars of Italian foreign policy: a strong European vocation and transatlantic cooperation. One way to achieve this goal, they say, is by enhancing the EU's military capability, which would make the EU a more equal partner to the U.S. The center left is prepared to push for more EU military integration, joint strategic planning and

defense procurement, and would endorse a common European market to promote the EU's defense industry. Although Prodi and the center left acknowledge the primacy of NATO in European security affairs, they likely will shift closer to France, seeking limits to NATO involvement, promoting a more robust European pillar in the Alliance, and strengthening the EU's autonomy on security issues.

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. . . And Emphasizing a Shift Toward Multilateralism.

¶3. (C) The Union has made multilateralism the centerpiece of its foreign policy strategy. A common center-left theme outlined in numerous interviews and press statements is that Italy, as a medium power, should contribute to global peace, justice, human rights, democracy, and development, but chiefly through initiatives coordinated with and through the international community. Ricardo Levi, Prodi's international affairs adviser, and Umberto Ranieri, vice-president of the foreign affairs committee in the Chamber of Deputies, told Pol M/C recently that, if the center left wins, Italy would be committed to establishing a timeline for troop drawdowns, but would remain engaged in Iraq. However, Levi also made clear that future international missions would be coordinated first within the EU or when sanctioned by another international organization, such as the UN. (Refs A and D)

Room For Possible Collaboration

¶4. (C) Prodi has pledged to keep the fight against terrorism Italy's top priority. Regarding stepped-up immigration from Muslim countries, Union leaders maintain that, if elected, they will develop a strategy that combines law-enforcement and intelligence sharing with a policy of reaching out to immigrants and countries of origin. Prodi says he will

ROME 00000342 002.2 OF 003

cooperate more closely with origin countries to improve local development and discourage immigration, and will look for ways to ease integration, and legalization of immigrants in Italy. He told the Ambassador privately that to improve integration, resident immigrants need to have confidence in a transparent process toward citizenship. Nevertheless, he has proposed no alternative to the current Bossi-Fini immigration law that he promised to scrap. We are hearing anti-immigrant rhetoric from both the left and the right, and human rights groups are skeptical that Prodi can or will deliver on needed immigration reforms. (Ref H)

- 15. (C) In recent months, the center-left coalition has significantly modified its Iraq policy, moving closer to the center-right government's view. During our discussions with center-left leaders they invariably tell us that their Iraq policy will be transparent and that there will be no surprises. Prodi and his advisers have told us privately that they would coordinate any withdrawal timeline with other coalition members and the Iraqi government. (Refs A, F, G, and H). The Ambassador earlier this month warned Francesco Rutelli, leader of the Margherita (Daisy) Party, privately that declaring a pullout immediately after the election would launch bilateral relations on the wrong foot. (Ref B) (Comment: Rutelli and others in the center left have received this message and have signaled that they are loath to duplicate the Spanish experience and want to avoid a rift between Italy and the U.S. End comment.)
- 16. (C) Marco Minniti, defense policy coordinator for the Democrats of the Left (DS)—the largest party in the Union coalition—told journalists in December that the center—left is willing to keep on contributing to Iraq's development. Levi told us recently that such assistance could include providing security, NATO—sponsored training, economic development, and institution building assistance. Minniti

even held out the possibility that an Italian "security force" under UN command could remain in Iraq after the troop pullout. These options are at odds with the more radical leftist members of the Union, which have called for an unambiguous, unconditional, and definitive withdrawal from Iraq (Ref G).

17. (C) Beyond Iraq, the center left has identified Afghanistan, the Balkans, and the Mediterranean as top priorities. Piero Fassino, President of the DS, has noted that the center left would "reinforce" Italy's presence in Afghanistan and would develop a comprehensive strategy for the Balkans. (Note: Fassino served as U/S for Foreign Affairs from 1991-96 and has a special affinity for the Balkans; he is considered a top candidate to become foreign minister.) Prodi has already noted that he supports maintaining Italy's military presence in Afghanistan and the Balkans. (Ref H) In the Middle East, Fassino and Rutelli say Italy should do its part to bring a solution to the stalled Peace Process, which they say has been largely ignored by the Berlusconi government because of its preoccupation with Iraq. The Communists are enthusiastic supporters -- they fully support active Italian involvement in the Mediterranean and the Middle East Peace Process. (Comment: The continually weak Italian economy--saddled with the highest debt to GDP ratio in the Eurozone--chronically large budget deficits, and an inability to curb spending, will limit the government's international ambitions regardless of whether a center-left or center-right government is elected. See Ref C)

## A Different Approach Toward Washington

18. (C) Center-left leaders generally assert that Berlusconi has abandoned Italy's traditional central role in the EU in favor of trying to achieve a special relationship with the U.S. that has not materialized. Fassino claims that Berlusconi has "subordinated" Italy's traditional EU tilt to curry favor with the U.S. on foreign policy. The Italian Communists and Greens go further, accusing the U.S. of "dictating" foreign policy to Italy. Prodi underscores that the Italy-U.S. alliance is central and will continue to be valued in a center-left government, but the bilateral relationship must be on what he calls "equal terms," where agreements and disagreements are clearly voiced and respected. He says publicly that he does not foresee difficult relations with Washington because of his experience working "side by side" with US administrations during his tenures as Prime Minister and at the EU.

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ROME 00000342 003.2 OF 003

## Tough Coalition Management

- 19. (C) As we have reported in Reftels (G,I and J), a center-left government will include leaders of varying ideological persuasions, all jockeying for maximum influence in government policy to satisfy their own constituencies. Despite Prodi's and others' affirmations of center-left "unity," fissures are inevitable, and difficult foreign policy decisions will result from tough intra-coalition negotiations. Many observers say Prodi will try to cobble together a consensus using lowest common denominators to ensure his government's survival.
- ¶10. (C) Center-left consensus on foreign policy is weak beyond basic agreements on multilateralism, very limited use of force, and a greater emphasis on social issues. Coalition discipline will be difficult, especially because each leader is prone to offer his own vision of Italy's international profile. We should expect each party leader to make statements at odds with the consensus view, if doing so enhances that leader's standing with their constituency. The

hard-line Communists and the Greens will continue fighting to win support of the pacifist wing of the coalition and try to out do the other when it comes to keeping Italy away from perceived foreign-made (i.e., U.S.) entanglements. Communist Party leader Bertinotti promises to be the wild card if his party does well in the election. Prodi privately told the Ambassador recently that Bertinotti would need careful management to keep the coalition together. (Note: Bertinotti is responsible for the collapse of Prodi's first government and many center-left contacts tell us Prodi is too willing to bend to Bertinotti in order to avoid a repeat performance.)

Comment

111. (C) Prodi and the center left will view foreign policy primarily through an EU prism. Rome's traditionally weak governments have limited Italy's influence in the EU, and Prodi's nine-party coalition will not reassure EU partners, in particular the U.K., Germany, and France, that his government can provide long-term stability. Italy's weak economy and struggle to stay within the  $\overline{\text{EU}}$ 's Stability and Growth Pact will limit Italy's ability to influence the  $\overline{\text{EU}}$ agenda. A Prodi government will be less prone to principled support for US policies, as we have experienced under Berlusconi, and likely will strike a harder bargain with Washington to win Italy's backing. A shaky center-left coalition will mean less appetite to take on risky or controversial foreign policy decisions. Nevertheless, Prodi and other moderate center-left leaders have gone to great lengths to reassure us that they will not turn their backs on the U.S. and will continue to look for ways to work together. End comment. SPOGLI